

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 05048 051827Z

55

ACTION EUR-25

INFO OCT-01 EA-11 IO-13 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02

SS-15 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 OMB-01

DRC-01 /194 W

----- 013006

R 051740Z SEP 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5695

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE EC BRUSSELS 5048

E.O. 11652 NA

TAGS: ETRD, EEC, JA

SUBJ: TRADE DISCUSSIONS BETWEEN THE COMMUNITY AND JAPAN

1. AFTER THE GATT MINISTERIAL IN TOKYO SEPT. 12-14,
THE VICE PRESIDENT OF THE COMMISSION IN CHARGE OF
EXTERNAL RELATIONS, SIR CHRISTOPHER SOAMES, WILL
CONDUCT TWO DAYS OF TRADE TALKS WITH THE JAPANESE.

THESE WILL CONTINUE THE DISCUSSIONS INAUGURATED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 05048 051827Z

EARLIER THIS YEAR BY FOREIGN MINISTER OHIRA'S VISIT

TO BRUSSELS, SUBSEQUENTLY SUPPLEMENTED BY THE VISIT OF VICE MINISTER TSURUMI IN JUNE. SOURCES AT THE COMMISSION ANTICIPATE THAT SOAMES WILL BE INTERESTED IN LEARNING MORE ABOUT JAPANESE ADMINISTRATIVE POSSIBILITIES FOR CONTROLLING EXPORTS. THEY ALSO ANTICIPATE FULL DISCUSSIONS ON TEXTILES AND ENERGY. OUR COMMISSION SOURCE EXPECTS NO EFFORT TO REINVIGORATE NEGOTIATIONS ON A BILATERAL TRADE AGREEMENT. SOURCES IN THE LOCAL JAPANESE DELEGATION STATE THAT THEY EXPECT DISCUSSIONS ON PARTICULAR PRODUCTS, SUCH AS ELECTRONICS, BALL BEARINGS AND PERHAPS AUTOMOBILES.

2. SINCE THE SPRING A GROUP OF EXPERTS FROM THE EC COUNCIL HAVE BEEN MEETING ON JAPANESE/COMMUNITY TRADE ISSUES. THEY HAVE NOW PREPARED A REPORT WHICH THE COUNCIL WILL DISCUSS ONLY AFTER HEARING SIR CHRISTOPHER SOAMES REPORT OF HIS MEETINGS IN TOKYO.

3. OUR SOURCES IN THE COMMISSION SAY THAT THE REPORT CONCENTRATES HEAVILY ON PROBLEMS CAUSED BY LARGE JAPANESE EXPORTS IN PARTICULAR SECTORS BUT HAS LITTLE ON OPPORTUNITIES FOR SOLUTIONS. THOUGH JAPAN ACCOUNTS FOR ONLY ABOUT THREE PERCENT OF TOTAL COMMUNITY IMPORTS, THEY HAVE BEEN INCREASING AT RATES OF APPROXIMATELY 30 PERCENT FOR THE PAST FOUR YEARS, AND THE COMMUNITY HAS MOVED SINCE 1968 FROM APPROXIMATELY BALANCED TRADE TO A DEFICIT OF \$1.2 BILLION IN 1972. EXCHANGE RATE CHANGES SINCE 1971 HAVE CURBED JAPANESE EXPORT POTENTIAL TO THE US, BUT JAPANESE/EC RATES HAVE NOT CHANGED SIGNIFICANTLY. MANY FEAR THAT JAPANESE EXPORTS WILL NOW BE DIVERTED FROM THE US TO THE COMMUNITY.

4. SINCE THE COMMUNITY HAS BEEN UNABLE TO AGREE TO A TRADE AGREEMENT WITH JAPAN BECAUSE OF THE JAPANESE RELUCTANCE TO SIGN A SAFEGUARD CLAUSE AIMED ONLY AT JAPAN, THE MEMBER STATES REMAIN IN CONTROL OF MANY ASPECTS OF THIS TRADE WITH JAPAN, AND SOME ARE PURSUING CONFLICTING POLICIES. MANY IN THE COMMUNITY FEEL THAT JAPAN HAS CONCENTRATED ITS EFFORTS TOO HEAVILY ON LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 05048 051827Z

A SMALL NUMBER OF SECTORS BUT HAS AVOIDED TRIGGERING SAFEGUARD CLAUSES IN BILATERAL AGREEMENTS BY EXPORT RESTRAINTS JUST BEFORE THE SITUATION HAS BECOME CRITICAL. PRESS ACCOUNTS OF THE EXPERTS' REPORT DO NOT INDICATE ANY RADICAL, NEW SOLUTIONS BUT DO SHOW THE CONCERN FELT IN SOME QUARTERS ABOUT THE RELATIVELY LARGE SHIFT IN TRADE THAT HAS OCCURRED IN THE LAST FOUR YEARS. HARTMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU05048
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730954/aaaabnyc.tel
Line Count: 115
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 29 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29-Aug-2001 by elyme>; APPROVED <02-Nov-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRADE DISCUSSIONS BETWEEN THE COMMUNITY AND JAPAN
TAGS: ETRD, JA, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005